

ORDINANCE NO. 2007-02

AN ORDINANCE OF THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA, REGARDING THE APPROVAL OF ONE OR MORE SERIES OF ENVIRONMENTAL IMPROVEMENT REVENUE BONDS OF WARRICK COUNTY, INDIANA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF CERTAIN FACILITIES FOR USE BY SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC. AND RELATED MATTERS.

WHEREAS, Warrick County, Indiana (hereinafter called the "*County*"), a political subdivision of the State of Indiana, acting by and through the Board of Commissioners of the County (the "*Board of Commissioners*") is by virtue of I.C. 36-7-11.9-1 *et seq.*, as amended, and I.C. 36-7-12-1 *et seq.*, as amended (collectively, the "*Act*"), authorized and empowered to issue its revenue bonds for the purpose of providing funds to finance "pollution control facilities" as those words are defined in the Act and to make direct loans to users for the construction of pollution control facilities in order to provide for the abatement, reduction, prevention or control of pollution in the County and to promote the health and general welfare of the County; and

WHEREAS, the County has previously entered into a Memorandum of Agreement with Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (the "*Company*") under the terms of which the County agreed, subject to the provisions of such Agreement, to issue one or more series of its revenue bonds, with such series designations as determined by the authorized officers of the County, to finance a portion of the cost of the acquisition, construction and equipping of certain facilities which constitute "pollution control facilities" within the meaning of the Act to be used by the Company and as more particularly described in EXHIBIT A attached hereto and made a part hereof, some of which facilities will be financed with the proceeds of one or more series of Bonds (collectively, the "*Projects*"); and

WHEREAS, the Company is a public utility duly organized under the laws of the State of Indiana and qualified to do business within the State of Indiana; and

WHEREAS, the County proposes to issue one or more series of its Environmental Improvement Revenue Bonds, with such series designations as determined by the authorized officers of the County, in an aggregate principal amount not to exceed \$80,000,000 (the "*Bonds*"), all in accordance with the provisions of the Act for the purpose of providing funds (i) to finance a portion of the costs of the Projects, (ii) to pay a portion of the interest accruing on one or more series of Bonds during construction of the Projects and (iii) to pay certain costs of issuance of one or more series of Bonds; and

WHEREAS, the Warrick County Council of the County of Warrick, Indiana (the "*County Council*") created the Warrick County Economic Development Commission (the "*Commission*") and the members of the Commission have been duly appointed and qualified pursuant to applicable law and the Commission has been duly organized and undertaken the duties imposed upon it by the Act and has found by written resolution that because of insufficient

abatement or control of pollution by industry, the health, prosperity, economic stability and general welfare of the County and its environs will benefit by the acquisition, construction and use by the Company of the Projects; and

WHEREAS, the Commission has previously approved a report estimating that no substantial increase in the public services will be made necessary or desirable as a result of the financing, describing the Projects and how they will abate, reduce or prevent pollution, and briefly stating the need for and capacity of the Projects and has submitted such report to the Warrick County Plan Commission; and

WHEREAS, after giving notice in accordance with the Act, the Commission held a public hearing on July 27, 2006 with regard to the proposed financing of the Projects and the issuance of one or more series of Bonds and adopted a resolution (i) finding that the proposed financing will be of benefit to the health and general welfare of the County and complies with the Act and (ii) approving the issuance of one or more series of Bonds, with such series designations as determined by the authorized officers of the County; and

WHEREAS, the County Council on August 3, 2006 adopted Bond Ordinance No. 2006-02 entitled, "AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF ENVIRONMENTAL IMPROVEMENT REVENUE BONDS OF WARRICK COUNTY, INDIANA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF CERTAIN FACILITIES FOR USE BY SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC.; AUTHORIZING THE EXECUTION OF ONE OR MORE LOAN AGREEMENTS; AUTHORIZING THE EXECUTION OF ONE OR MORE INDENTURES OF TRUST SETTING FORTH THE TERMS OF EACH SERIES OF BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS; AUTHORIZING THE EXECUTION OF ONE OR MORE TAX EXEMPTION CERTIFICATE AND AGREEMENTS; AUTHORIZING THE EXECUTION OF ONE OR MORE OFFICIAL STATEMENTS; AND RELATED MATTERS," a true and correct copy of which is attached hereto as EXHIBIT B and incorporated herein; and

WHEREAS, pursuant to Bond Ordinance No. 2006-02, the County Council authorized the issuance of the Bonds, approved the terms for the Bonds, authorized the execution of one or more Loan Agreements, Indentures of Trust, Bond Purchase Agreements, Tax Exemption Certificates and Agreements and Official Statements, approved the Bonds in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and approved other related matters; and

WHEREAS, the Company has received an allocation of the State of Indiana's 2007 volume cap in relation to the Projects; and

WHEREAS, at least one or more series of the Bonds in the aggregate principal amount of not to exceed \$17,000,000 will be issued by the County on or before December 17, 2007 to finance a portion of the Projects; and

WHEREAS, more than one year will have elapsed between the County Council's approval of the Bonds in accordance with Section 147(f) of the Code on August 3, 2006 and the date that one or more series of the Bonds are issued by the County; and

WHEREAS, after giving notice in accordance with the Code, the Commission held an additional public hearing on October 30, 2007 with regard to the proposed financing of the Projects and the issuance of one or more series of Bonds, in order to comply with the provisions of Section 147(f) of the Code, which is applicable to the issuance of certain tax-exempt bonds, such as the Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA, as follows:

Section 1. Incorporation of Preambles. The preambles to this ordinance (the "Ordinance") are hereby incorporated in this Ordinance as if set forth herein.

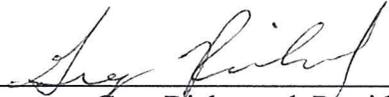
Section 2. Bond Ordinance No. 2006-02. The County Council hereby ratifies and affirms Bond Ordinance No. 2006-02.

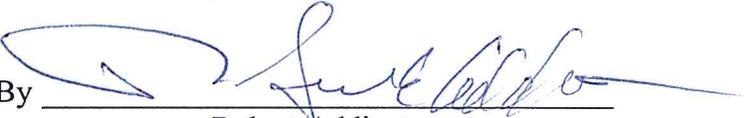
Section 3. Approval of Bonds. In accordance with Section 147(f) of the Code, the County Council hereby approves the Bonds.

Section 4. Prior Proceedings. All actions taken by the Board of Commissioners, whether before or after the effective date of the Act, in connection with the Projects and the financing thereof are, to the extent not inconsistent with Bond Ordinance No. 2006-02 and this Ordinance, ratified, confirmed and incorporated herein.

Section 5. *Effective Date.* This Ordinance shall take effect and be in full force from and after its passage by County Council and all actions of the officers, agents and employees of the County that are in conformity with the purposes and intent of this Ordinance, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

WARRICK COUNTY COUNCIL

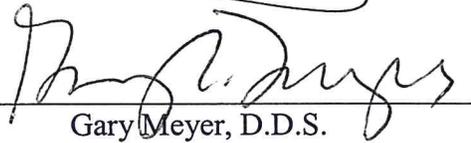
By 
Greg Richmond, President

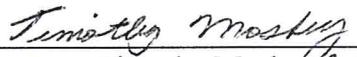
By 
Robert Addington

By 
Gerald Bass

By 
David Hachmeister

By 
Raymond McIntyre

By 
Gary Meyer, D.D.S.

By 
Timothy Mosbey

ATTEST:


Lawrence Lacer, County Auditor

EXHIBIT A

DESCRIPTION OF THE PROJECTS

The F.B. Culley Unit 3 and Warrick Unit 4 coal-fired electric generating stations (collectively, the "Stations") are located at 3711 Darlington Road, Newburgh, Indiana and 4700 Darlington Road, Newburgh, Indiana, respectively, near Yankeetown in Warrick County, Indiana.

The Projects will consist of real estate, equipment and facilities to be acquired, improved, installed, and constructed for use as pollution control facilities; solid waste disposal or recycling facilities; hazardous waste disposal facilities; industrial sewage and wastewater treatment facilities; environmental media remediation facilities; spill prevention and recovery systems; and resource recovery facilities (as such terms are defined in the Internal Revenue Code and regulations thereunder) at the Stations, including, without limitation, incinerators; ash and sludge disposal ponds; wastewater retention ponds; dewatering devices; aerobic digestion; anaerobic treatment; solvent recovery units; catalytic oxidation converters; heat exchangers; evaporators; residue handling; ash removal systems; landfills; baghouses; electrostatic precipitators; scrubbers; separators; strippers; absorbers; filters; condensers; mercury reduction equipment; solid waste conveyance systems such as (i) pneumatic piping system for dry wastes; (ii) piping and pumps for sluicing slurries to disposal ponds; (iii) conveyor belts and; (iv) trucks; soil remediation; groundwater collection; equipment cleaning; waste storage and handling; sludge handling and dewatering; solid waste recycling; and sewage collection and processing, including (i) secondary treatment of wastewater; (ii) preliminary or primary treatment of wastewater in connection with secondary treatment of wastewater; (iii) advanced or tertiary treatment of wastewater in connection with or after secondary treatment of wastewater; (iv) collection, storage, use processing or final disposal of wastewater or sewage sludge; (v) treatment, collection, storage, use, processing or final disposal of sewage; and (vi) functionally related and subordinate property. These facilities include monitoring and control equipment, process equipment, utilities or support systems, related structures and buildings, and site development. The function of the facilities is to provide for waste removal, reduction, alteration, recycling or disposal by any or a combination of chemical, physical or biological process or for construction of storage, disposal or recycling facilities. These facilities include modification to any of the foregoing and facilities which are functionally related and subordinate to but not limited to the foregoing, for the treatment and disposal of pollution, solid waste, hazardous waste, industrial sewage and wastewater.

EXHIBIT B

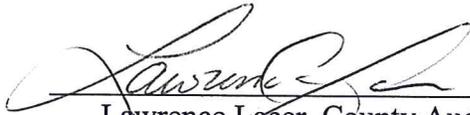
BOND ORDINANCE NO. 2006-02

Attached hereto

STATE OF INDIANA)
) SS
COUNTY OF WARRICK)

I, Lawrence Lacer, hereby certify that I am the duly qualified and acting County Auditor in and for Warrick County, Indiana and as such official I further certify that the attached is a true and correct copy of Ordinance No. 2007-__ as adopted by the County Council of said County on November 1, 2007 and said Ordinance relating to a financing for Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. remains in full force and effect and has not been rescinded by the County Council of said County; and that said transcript hereto attached is a true, correct and complete copy of all of the corporate records showing the action taken by the Council regarding said Ordinance.

IN WITNESS WHEREOF, my hand and the corporate seal of the County Council of Warrick County, Indiana hereto affixed, this 1st day of November, 2007.



Lawrence Lacer, County Auditor

[SEAL]

**EXCERPT FROM THE MINUTES OF THE MEETING OF THE
COUNTY COUNCIL OF WARRICK COUNTY, INDIANA
ON NOVEMBER 1, 2007**

The County Council of Warrick County, Indiana met in regular session at 6:00 P.M. on November 1, 2007 at the Commissioners Meeting Room, 107 W. Locust Street in Boonville, Warrick County, Indiana, pursuant to notice duly given. The meeting was called to order and there were present, Greg Richmond, President, in the chair, and the following named members of the Warrick County Council:

Robert Addington, Gerald Bass, David Hachmeister, Raymond MacIntyre, Gary Meyer D.D.S., Timothy Mosbey.

Absent: None.

* * *

(Other Proceedings)

The County Auditor presented to the County Council an ordinance in relation to the financing of certain facilities for Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. (the "*Company*"), which was approved and recommended to the Warrick County Council by the Warrick County Economic Development Commission.

Councilman Raymond MacIntyre introduced and caused to be read an ordinance, which was approved and recommended by the Warrick County Economic Development Commission entitled, "AN ORDINANCE OF THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA, REGARDING THE APPROVAL OF ONE OR MORE SERIES OF ENVIRONMENTAL IMPROVEMENT REVENUE BONDS OF WARRICK COUNTY, INDIANA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF CERTAIN FACILITIES FOR USE BY SOUTHERN INDIANA GAS AND ELECTRIC COMPANY D/B/A VECTREN ENERGY DELIVERY OF INDIANA, INC. AND RELATED MATTERS."

Pursuant to Indiana Code Section 36-7-12-16, the President announced that each County Council member should reveal whether or not such member had any pecuniary interest in any aspect of the proposed financing or in the Company; the following members indicated the following interests:

Members: None.

Councilman Raymond MacIntyre then moved that said ordinance be numbered 2007-02, and that Ordinance No. 2007-02 be approved and the motion was seconded by Councilman Gary Meyer D.D.S. After due consideration of said Ordinance by the County Council, the President put the question on the motion and upon the roll being called the following named County Council members voted:

AYE: Robert Addington, Gerald Bass, David Hachmeister, Raymond MacIntyre, Gary Meyer D.D.S., Timothy Mosbey, Greg Richmond.

NAY:

ABSTAINED:

Councilman Gary Meyer D.D.S. then moved to suspend the rules and to adopt the Ordinance on the same day of introduction. Councilman Raymond MacIntyre seconded the motion and upon vote taken was unanimously carried 7 to 0.

Councilman Gary Meyer D.D.S. then moved that Ordinance 2007-02 be adopted and the motion was seconded by Councilman Timothy Mosbey. After due consideration of said Ordinance by the Council, the President put the question on the motion and upon the roll being called the following named Council members voted:

AYE: Robert Addington, Gerald Bass, David Hachmeister, Raymond MacIntyre, Gary Meyer D.D.S., Timothy Mosbey, Greg Richmond.

NAY:

ABSTAINED:

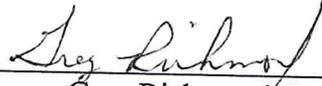
Whereupon, the President declared said Ordinance duly adopted and signed his approval thereto and ordered the same to be filed in the official public records of the County Council.

* * *

(Other Proceedings)

There being no further business, on motion duly made, seconded and carried, the meeting duly adjourned.

WARRICK COUNTY COUNCIL



Greg Richmond, President



Lawrence Lancer, County Auditor